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Cell phone: +389 (0)70 323-807
Email: talbor@usaid.gov
www.usaid.gov

PRESS RELEASE

Ministry cooperation key to modernizing Macedonian corporate governance

Milestone reached in U.S. support for company law and corporate governance

Assistance to the Ministry of Economy, the Ministry for Finance and the Ministry of Justice, provided by the United States Agency for International Development (USAID), a part of the U.S. Mission to Macedonia, has resulted in the review and implementation of corporate governance laws, training programs (in the universities and in the private sector), workshops, TV and radio shows, meetings, public education through the media and development programs for NGOs.

"There is much to celebrate," said Dick Goldman, the Director of USAID. Goldman made the comment to mark the successful completion of USAID's Corporate Governance and Company Law Project. "USAID will continue to support this sector through other projects."

During its three year existence the Corporate Governance and Company Law Project has been promoting the development, understanding, acceptance and implementation of the modern corporate governance standards and involvement in the preparation of the drafting of the trade laws, such as the 2004 Company Law, the 2005 Bankruptcy Law and the 2005 Registration Law. According to Professor Milan Netkov, Ph.D., "the involvement of the Corporate Governance and Company Law Project was essential for peaceful and pleasant preparation of a good law, a law which includes numerous modern solutions in respect to the position and functioning of the joint stock companies in particular."

The Project's activities were directed towards more advanced and efficient ways of business management help with establishing independent boards of directors, protection of shareholders' rights and a complete recognition of the modern standards for corporate governance and corporate social responsibility – CSR (UNDP/OECD).

The remaining objectives of the Project included harmonization of the trade laws with EU directives for the purpose of enabling a better business environment in the Republic of Macedonia; for example, attracting investors more efficiently as well as educating a large number of legal entities (lawyers, judges, notaries) and members of the management board of the joint stock companies in the Republic of Macedonia for implementation of the 2004 Company Law.

Even with the Project ending, great support for it continues: including, the Macedonia Corporate Governance Council, *Akcioner* (the first association for protection of minority shareholders in the Republic of Macedonia), as well as a number of trained professionals in the area of corporate governance, CSR and trade legislation, who will be working in the further promotion and implementation of legal reforms, corporate governance and the improved business climate in the Republic of Macedonia.

NOTES TO EDITORS:

The American people, through USAID, have invested more than \$400 million in Macedonia since 1993. More than 30 projects worth \$35 million a year are currently being implemented. These projects are designed to support Macedonia's transition to a free market-based, multi-ethnic democracy. They include initiatives to accelerate economic growth, develop democratic institutions, and educate citizens for a modern economy. USAID provides economic and humanitarian assistance in more than 100 countries. For more information please visit www.usaid.gov